

SCHWARTZER & MCPHERSON LAW FIRM
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Tel: (702) 228-7590 · Fax: (702) 892-0122

Annette W. Jarvis, Utah Bar No. 1649
 Steven C. Strong, Utah Bar No. 6340
 RAY QUINNEY & NEBEKER P.C.
 36 South State Street, Suite 1400
 P.O. Box 45385
 Salt Lake City, Utah 84145-0385
 Telephone: (801) 532-1500
 Facsimile: (801) 532-7543
 Email: ajarvis@rqn.com

E-Filed October 10, 2006

Lenard E. Schwartzer, Nevada Bar No. 0399
 Jeanette E. McPherson, Nevada Bar No. 5423
 SCHWARTZER & MCPHERSON LAW FIRM
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Telephone: (702) 228-7590
 Facsimile: (702) 892-0122
 E-Mail: bkfilings@s-mlaw.com
 Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND,
 LLC,
 Debtor.

Chapter 11

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:
☒ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA First Trust Deed Fund, LLC

**DECLARATION IN SUPPORT OF EX
 PARTE APPLICATION FOR ORDER
 SHORTENING TIME TO HEAR
 MOTION TO EXCLUDE DEBTORS
 FROM HAVING TO FILE INTER-
 COMPANY CLAIMS AGAINST
 EACH OTHER BY THE BAR DATE,
 OR ALTERNATIVELY FOR THE
 APPROVAL OF THE IMMEDIATE
 APPOINTMENT OF SPECIAL
 COUNSEL TO FILE AND PURSUE
 THE INTER-COMPANY DEBTOR
 CLAIMS**

Date: OST Requested
 Time: OST Requested

SCHWARTZER & MCPHERSON LAW FIRM
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Tel: (702) 228-7590 · Fax: (702) 892-0122

Lenard E. Schwartzer, Esq., under penalties of perjury, hereby represent as follows:

1. A Motion to Exclude Debtors From Having to File Inter-Company Claims Against Each Other by the Bar Date, or Alternatively for the Approval of the Immediate Appointment of Special Counsel for Diversified Fund and FTD Fund to File and Pursue the Inter-Company Debtor Claims (the "Motion") was filed by the Debtors. The Motion request that the Court enter an order granting the Motion and that it exclude the Debtors from having to file inter-company claims against each other by the Bar Date (or that the Bar Date be extended without date for the filing of these claims), subject to the Debtors reporting to the Court at the October 19, 2006 hearing that all of the inter-company claims have been fully resolved in a Plan with the full agreement of the Committees, or, alternatively, if all inter-company claims are not fully resolved by October 19, 2006 with the full agreement of the Committees, that the Court approve the immediate appointment of special counsel for the USACM, FTD Fund and the Diversified Fund to file the inter-company claims at the hearing set on this Motion on October 30, 2006.

2. The Debtors request that the hearing on the Motion be set for a hearing for October 19, 2006. A Notice Of Hearing was filed with this Court on October 5, 2006 and noticed to interested parties on October 6, 2006 setting the hearing on October 30, 2006 at 9:30 a.m. Interested parties were given only 24 days notice instead of 25 days. It is necessary to have this Motion heard by this date so that the other time frames and deadlines regarding this case are not adversely affected.

3. Notice can be shortened pursuant to Bankruptcy Rule 9006(c)(1) and LR 9006(a).

Dated this 9th day of October, 2006.

/s/ Lenard E. Schwartzer, Esq.
 Lenard E. Schwartzer, Nevada Bar No. 0399
 Attorneys for Debtors and Debtors-in-Possession